



Corporate News

STADA with dynamic sales growth in the first half of 2013

Important items at a glance

- Group sales increases to Euro 974.3 million (+10 percent) – organic growth rises to 6 percent
- Adjusted EBITDA increases to Euro 189.8 million (+7 percent) – reported EBITDA records growth to Euro 184.1 million (+15 percent)
- Share of branded products in operating profit continues to rise
- Exclusive contract negotiations for the acquisition of British OTC manufacturer Thornton & Ross
- Outlook to 2014 confirmed

STADA Key Figures

	1-6/2013	1-6/2012	+/-
Group sales	Euro 974.3 million	Euro 885.2 million	+10%
Operating profit	Euro 131.7 million	Euro 101.4 million	+30%
<i>Operating profit, adjusted</i>	<i>Euro 137.6 million</i>	<i>Euro 127.1 million</i>	+8%
EBITDA	Euro 184.1 million	Euro 160.7 million	+15%
<i>EBITDA, adjusted</i>	<i>Euro 189.8 million</i>	<i>Euro 176.7 million</i>	+7%
Net income	Euro 66.6 million	Euro 48.2 million	+38%
<i>Net income, adjusted</i>	<i>Euro 70.1 million</i>	<i>Euro 69.9 million</i>	0%
Earnings per share	Euro 1.12	Euro 0.82	+37%
<i>Earnings per share, adjusted</i>	<i>Euro 1.18</i>	<i>Euro 1.19</i>	-1%

Bad Vilbel, August 8, 2013 – In the first half of 2013, STADA Arzneimittel AG recorded a sustainable business development, in the context of which both Group sales and all reported key earnings figures increased.

Executive Board: Hartmut Retzlaff (Chairman) / Helmut Kraft / Dr. Matthias Wiedenfels
 Chairman of the Supervisory Board: Dr. Martin Abend



“In the first half of 2013 we continued to increase the share of branded products in operating profit. This shows that we are right with our strategy to gradually expand this strong-margin core segment. The planned acquisition of the British OTC manufacturer Thornton & Ross will contribute to this end, with it we intend to strengthen our business activities in the British pharmaceutical market in the segment for branded products for self-medication, which is especially strategically important,” said Hartmut Retzlaff, STADA's Chairman of the Executive Board.

Development of sales

In the first half of 2013, **Group sales** rose by 10 percent to Euro 974.3 million (1-6/2012: Euro 885.2 million).

Sales of the core segment **Generics** increased by 6 percent to Euro 618.3 million in the period under review (1-6/2012: Euro 585.1 million). Generics thus contributed 63.5 percent to Group sales (1-6/2012: 66.1 percent). The core segment **Branded Products** recorded sales growth of 18 percent to Euro 336.5 million in the first half of the current financial year (1-6/2012: Euro 284.5 million). Branded products thereby contributed 34.5 percent to Group sales (1-6/2012: 32.1 percent).

Earnings development

Reported operating profit recorded growth of 30 percent to Euro 131.7 million in the first six months of 2013 (1-6/2012: Euro 101.4 million). **Reported EBITDA** increased by 15 percent to Euro 184.1 million (1-6/2012: Euro 160.7 million). **Reported net income** showed a plus of 38 percent to Euro 66.6 million (1-6/2012: Euro 48.2 million).

After adjusting the key earnings figures for influences distorting the period comparison resulting from one-time special effects, **adjusted operating profit** increased by 8 percent in the first half of 2013 to Euro 137.6 million (1-6/2012: Euro 127.1 million). **Adjusted EBITDA** recorded growth of 7 percent to Euro 189.8 million (1-6/2012: Euro 176.7 million). **Net income, adjusted** for one-time special effects and non-operational effects from the measurement of derivative financial instruments was, at Euro 70.1 million, approximately at the same level of the corresponding period of the previous year (1-6/2012: Euro 69.9 million).

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The **net debt to adjusted EBITDA ratio** in the reporting period on linear extrapolation of the adjusted EBITDA of the first half of 2013 on a full year basis amounted to 3.2 (1-6/2012: 3.6).

In the second quarter of 2013, STADA issued a second corporate bond with a volume of Euro 350 million, a term of five years and a fixed interest rate of 2.25 percent p.a.

Development of the market regions

The four STADA market regions showed varying developments in the first half of 2013. Whereas sales of the market region Germany decreased, the market region Central Europe recorded a slight sales increase. Sales were able to show significant growth in the market regions CIS/Eastern Europe and Asia & Pacific.

In the largest **market region Central Europe**, sales in the half year under review increased slightly by 1 percent to Euro 407.3 million (1-6/2012: Euro 403.6 million). Sales generated in this market region thus contributed a share of 41.8 percent to Group sales (1-6/2012: 45.6 percent). Sales developed positively in this market region in **Italy, France**, – as a result of acquisition – **Switzerland, Ireland and Austria**.

In the **market region CIS/Eastern Europe**, sales in the first six months of 2013 recorded a significant increase – in part due to acquisitions – by 30 percent to Euro 292.5 million (1-6/2012: Euro 225.7 million). Sales achieved in this market region thereby contributed 30.0 percent to Group sales (1-6/2012: 25.5 percent). **Russia** recorded a clear sales increase of 33 percent applying the exchange rates of the previous year. In euro, sales grew by a strong 30 percent to Euro 194.2 million (1-6/2012: Euro 149.5 million) due to a negative currency effect of the Russian ruble. In **Serbia**, sales rose significantly by 28 percent applying the exchange rates of the previous year. In euro, sales increased by a strong 29 percent to Euro 40.3 million with a slightly positive currency effect of the Serbian dinar (1-6/2012: Euro 31.4 million).

In the **market region Germany**, – in view of the continued difficult local framework conditions for generics resulting from intensive competition in tenders for discount agreements from public health insurance organizations – sales in the first half of 2013

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decreased by 2 percent to Euro 238.6 million (1-6/2012: Euro 243.7 million). The market region thus contributed 24.5 percent to Group sales (1-6/2012: 27.5 percent).

In the **market region Asia & Pacific**, sales in the reporting period increased significantly by 195 percent to Euro 35.9 million (1-6/2012: Euro 12.2 million). Sales of the market region thereby contributed 3.7 percent to Group sales (1-6/2012: 1.4 percent). The growth in this market region was primarily attributable to the sales increase in **Vietnam** following the consolidation of Pymepharco Joint Stock Company as a subsidiary since January 1, 2013.

Development, production and procurement

Research and development costs amounted to Euro 27.5 million in the half year under review (1-6/2012: Euro 25.7 million). Worldwide, STADA launched a total of 352 individual products in the individual national markets in the first half of 2013 (1-6/2012: 367 product launches).

Outlook

The Executive Board confirms the **outlook** for the future development of the STADA Group published at the beginning of the year. Thus, the Executive Board expects, from today's perspective, further growth in sales and earnings for the Group in 2013 and 2014. Furthermore, the Executive Board sees the opportunity for further growth in the Group's adjusted EBITDA in the high single-digit percent area in 2013 and thereby achieving a new record value. In addition, the Executive Board affirms the long-term prognosis envisaged for 2014, according to which Group sales of approximately Euro 2.15 billion, at an adjusted level, EBITDA of approximately Euro 430 million and net income of approximately Euro 215 million should be reached at minimum.

Additional information:

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